

Written Testimony of Laurence D. Keller
Mayor of New Hope Borough, Bucks County, Pa.
U.S. House of Representatives
Committee on Financial Services
Field Hearing at Yardley Community Center
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I wish to thank Chairman Oxley, Representative Frank, Representative Fitzpatrick and the honorable members of this Committee for inviting me to testify today. The subject of this hearing, "A Look at the National Flood Insurance Program and Flood Mitigation Efforts: Is Bucks County, Pennsylvania Ready for Another Flood?" is a topic of vital interest to the New Hope community that I represent. By the way, the short answer to the Committee's question is "no."

My name is Laurence Keller and I am the Mayor of New Hope Borough. New Hope, which encompasses an area of about 1.2 square miles, is located in Bucks County, Pennsylvania approximately 40 miles north of Philadelphia and across the river from the City of Lambertville, New Jersey. The Delaware River and Canal are the dominant physical features, defining the town's eastern border and providing unique scenic, historic, cultural, and recreational amenities for our residents and the many visitors who arrive each year.

Pursuant to The Borough Code of the Commonwealth of Pennsylvania, I am responsible for protecting and preserving public safety and for participating with Council in the declarations of local disaster emergencies. Gentlemen, I have signed three disaster emergency proclamations since September 2004, and all resulted from severe flood conditions along the Delaware River. According to data supplied by National Weather Service, three of the most severe floods in the history of the Delaware River in New Hope occurred in the period of September 2004 through

June 2006, a period of less than two years. In terms of the historical crests of the Delaware River dating back to 1841, the three recent floods rank third, fourth, and eighth. Without a doubt, the frequency and severity of floods along the Delaware River are increasing, as are the corresponding damage to property and the threat to human life.

The Committee has expressed an interest in evaluating the response of the Federal Emergency Management Agency (FEMA) and the National Flood Insurance Program (NFIP) to the recent floods in New Hope. First, FEMA has not played a role in providing or supplementing emergency response efforts either in preparation for, or during a flood event. Local emergency services personnel, consisting mostly of dedicated volunteers, demonstrated both competence and professionalism in managing these key aspects of the local emergency operations plan. Second, with respect to FEMA's role in the recovery process, I have received very few complaints from property owners, tenants, and the business community. It appears that FEMA has performed its job admirably with respect to providing financial assistance to those in need. Third, most importantly for New Hope, FEMA is tasked with the responsibility to administer federal grant programs related to the mitigation of hazards in our communities. The programs include the Hazard Mitigation Grants and Flood Mitigation Assistance Grants. These funds may be used by local communities for hazard mitigation retrofitting projects, including elevating structures, acquiring badly damaged flood prone properties, and certain structural improvements such as levees and dams.

Gentlemen, this is where we need your help. The Hazard Mitigation Grant Program is limited to an expenditure of only 7.5% of the funds expended on public and individual assistance as the result of a declared emergency. Until recently, the amount set aside by the federal government totaled 15%. The federal contribution is matched by 25% in state and/or local funds.

Unfortunately, the dollar amount of grant funds available under this program is sorely inadequate and fails to provide significant relief to flood damaged communities. In addition, the paltry funds that are available are restricted by federal and state program preferences to acquisition of flood damaged properties. No significant funds are available for elevation, which is the preference of the great majority of New Hope property owners who live in flood damaged areas.

My comments on the Flood Mitigation Assistance Grant Program will be limited, just as the funding for this program is limited. In fiscal year 2005 the total federal appropriation nationwide for this program was \$60,000,000. Pennsylvania received only about \$350,000 of this total.

The second part of the Committee's inquiry deals with the effectiveness of the National Flood Insurance Program (NFIP). I can offer little useful information on this program. However, I can inform you that the Borough of New Hope participates in this program and that the Borough's floodplain management ordinance complies with all program requirements of the NFIP and the Commonwealth.

In terms of identifying issues with the NFIP, there is an apparent discrepancy between the model FEMA floodplain management ordinance that serves as a guide to municipalities throughout the nation and NFIP regulations. The model FEMA ordinance defines "substantial damage" as damage amounting to 50% or more of the market value of a structure as the result of a flood. On the other hand, NFIP regulations allow a determination of "substantial damage" to result from one or more floods over an extended period of time. The significance of this apparent discrepancy is that a property owner, who sustains "substantial damage," may qualify for an Increased Cost of Compliance (ICC) benefit, which is currently set at \$30,000, to retrofit, including elevation, a structure to protect against future flood damage. The model FEMA ordinance should be amended to be consistent with this NFIP standard.

Another problem with the NFIP is the standard used to assess "substantial damage." The regulation states that the structure must receive damage amounting to 50% or more of its "market value." First, it is difficult to determine the market value of a structure divorced from the value of the underlying land. Second, in an inflated real estate market, it is often difficult to reach this 50% threshold. Consideration should be given to changing this standard to one based on "construction cost" rather than "market value."

The Committee's last question asks what is being accomplished by federal, state, and county governments to mitigate future flood damage. Based on my testimony to this point, the answer to the question is little or nothing. However, I would like to clarify this dour assessment by stating that there is very little that the Commonwealth and Bucks County governments can accomplish, given the regional scope of this problem. Flooding along the Delaware River affects four states. Consequently, the problem is one that requires federal leadership and resources to solve.

For what they are worth, here are my recommendations to the Committee.

1. The national government must adopt an active leadership position in assessing and mitigating flood conditions along the Delaware.
2. The federal government, in cooperation with the four states that comprise the river basin area, should commission a comprehensive study of the Delaware River (i.e., The Mid-Delaware River Basin Study) to determine the causes of flooding and to develop options to reduce or eliminate flood conditions.
3. FEMA should give high priority to updating floodplain maps along the Delaware. These maps are based on pre-1985 studies, are hopelessly outdated, and may be contributing to the flood conditions.
4. The federal government should significantly increase the funds available to states and municipalities for flood mitigation projects, especially elevation project. Property owners in New Hope do not want buy-outs; they desire to elevate their homes and businesses to get out of harm's way.
5. All parties should work closely with, and provide needed funding for the Delaware River Basin Commission (DRBC) to carefully assess the use of water supply reservoir capacity for flood storage. The coordination of reservoir operations may contribute significantly in the short-term towards reducing the severity and frequency of flood events along the Delaware River. The DRBC is a multi-state and federal agency and offers an existing framework for flood mitigation efforts.

I appreciate the opportunity to testify today and will be happy to answer any questions.